DOCUMENT RESUME

ED 247 038 PS 014 569

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TITLE An Experimental Study of the Effects of Employer-Sponsored Child Care Services on Selected Employee Behaviors. Executive Summary.
INSTITUTION CSR, Inc., Chicago, IL.; Foundation for Human Service Studies, Inc., Chicago, IL.
SPONS AGENCY Office of Human Development Services (DHHS), Washington, D.C.
PUB DATE 6 Aug 84
NOTE 10p.; For full report, see PS 014 568. Produced by the Study of Employer Sponsored Child Care Services.
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Day Care Centers; Early Childhood Education; Employed Parents; *Employee Attitudes; *Employer Supported Day Care; Fringe Benefits; Hospitals; *Information Services; Job Performance; *Labor Turnover; Morale; *Mothers; Questionnaires; Referral; Work Attitudes
IDENTIFIERS *Absenteeism (Employee); Corporations

ABSTRACT

This executive summary describes a study conducted to determine whether different kinds of employer-supported child care services had differing effects on service users. Turnover and attendance data on 891 randomly selected female employees were gathered from 39 companies and hospitals offering on-site or off-site child care, information and referral services, or no services. In addition, 311 employees who used child care services answered questionnaires regarding their perceptions of the effects of those services on their employment. Results indicated that no conclusions could be drawn about the relationship between absenteeism and type of child care service. In addition, there was no significant relationship between employee decisions to accept promotions and type of child care service. However, employee decisions to accept and continue employment, to recommend the employer, and to work overtime were positively affected by the employer's provision of on-site or off-site child care. Provision of child care also had a positive effect on employees' morale and perceptions of their job performance, and turnover rates were greatly reduced. All positive relationships were much lower for employees who were provided only information and referral services. Thus, it was concluded that results provided substantial justification for corporate child care. (CB)

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ED247038

An Experimental Study of the Effects of Employer-Sponsored Child Care Services On Selected Employee Behaviors

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The Department of Health and Human Services
Office of Human Development Services
Under Grant No. 90-CJ-51/01

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August 6, 1984

EXECUTIVE SUMMARY

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PS 014569

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Study funded by a grant from the Department of Health and Human Services

EXECUTIVE SUMMARY

The primary purpose of this study was to determine whether different kinds of employer supported child care services had differing effects on the users of those services. The experimental employers were 29 companies and hospitals in the northeastern and midwestern states that had supported one of three kinds of child care service for their employees. Fifteen of the employers were hospitals, nine were manufacturing companies and five were non-manufacturing companies. Of the ten control employers, four were hospitals, two were manufacturing companies and four were non-manufacturing companies.

This was a retroactive study designed to obtain one full year of attendance, turnover and other data on selected employees of each of the following four categories of employers:

On-Site Child Care (n=12): While fees, eligibility requirements and operating responsibilities varied, all employers in this category provided a child care center either in or within one block of the worksite building.

Off-Site Child Care (n=9): Employers in this category supported some kind of off-site child care. These included voucher systems which paid part or all of the costs of employee selected services, vendor programs with local or national day care providers and employer operated day care centers away from the worksite.

Information/Referral (I&R) Services (n=8): Employers in this category either operated an in-house I&R service or contracted with an externally operated I&R service to provide this service for their employees.

No Service (n=10): Employers in this category, the control companies, had never operated a child care service of any kind.

METHODOLOGY

Two groups of employees were randomly selected from each of the 39 employers participating in the study. In the experi-

mental companies one of these was from employees who had used the child care service (users: n=311) and the second from among those who had not (non-users: n=320). In the control companies, one group was selected from those eligible to use a child care service had it been provided (potential users: n=130), and a second group from those who would not have been eligible to use a child care service (non-users: n=130).

Data Collected

Non-aggregated attendance data for one full year were collected from employer personnel files on each selected employee in the experimental and control companies. Using the formula of The Bureau of National Affairs (1983), absenteeism rates were determined by dividing unscheduled days absent by days scheduled to work.

A self-administered questionnaire was distributed to the selected employees who had used the employers' child care service (n=311) to obtain information on demographics of the employees, their families, their child care arrangements, their length of employment, reasons for working, income and job status. Employees were also asked about the effects of the child care service on their acceptance of employment, plans to continue this employment, opportunities for promotion and overtime. They were asked to rank the effect the child care service had on their job performance. One open ended question was included at the end of the questionnaire.

Information on termination of the users of the child care service was obtained from all companies and hospitals providing either on-site or off-site child care services. An annual turnover rate for female users of the service was calculated consistent with the procedures used by The Bureau of National Affairs and compared with rates for all employees. Company turnover rates were obtained from seventeen employers who provided either on-site or off-site child care.

Analysis Plan

Statistical analyses were undergone in order to assess the

relative influence of the different types of child care services offered on specific behaviors and attitudes of the employees. Covariate analysis was chosen as the analytic tool for this analysis because of the quasi-experimental nature of the data collection procedures. This technique permits examination of partial relationships, that is, the relationship between two variables when other confounding variables are held constant; and allows greater confidence that a truely causal relationship exists between the independent variable and the dependent variable when a significant correlation is observed.

Type of child care service was the independent variable in all analyses. The four levels of service (on-site child care, off-site child care, information and referral services (I&R), and no service) were measured on an ordinal scale with on-site child care providing the greatest amount of care and no service the least.

Seven dependent variables were investigated. In all cases, the basic question was: "Does type of child care service have an effect on the dependent variable, when the covariates are controlled?" The Absenteeism of the employees using employer supported services was the behavior of interest. The attitudes of interest were the influence of the type of child care on the employee's (1) decision to Accept Employment in her company; (2) decision to Continue Employment in the company; (3) Recommendation of Employer to a prospective employee; (4) Availability to Work Overtime; (5) Acceptance of a Promotion and (6) Perceived Effect on Job Performance.

An additional behavior of interest, Employee Turnover, was computed, and an attitude of interest, Employee Morale, was examined.

FINDINGS:

Absenteeism: Two separate analyses were undertaken to investigate the effects of child care services on the absenteeism of women who used those services: One included all four levels

of child care; the second included only three levels (i.e. on-site, off-site, information and referral). The effect of type of child care on absenteeism could not be determined in this analysis. Although there was no significant difference found between the three levels of type of child care in one analysis and the four levels of type of child care in the other, the errors of prediction were large enough to include the possibility that there may be an effect. Thus, given our sample, no conclusions can be drawn as to the relationship between absenteeism and type of child care service.

Accept Employment: It was found that provision of on-site or off-site child care services had a significant influence ($p < .001$) on the subjects' decisions to accept employment. Employees whose employers provide only I&R services were not very likely to state that the child care service had an influence on their acceptance of employment. It is possible to increase the probability that an employee will state that such services influence acceptance of employment by providing more services. Specifically, employees using off-site services and employees using on-site services were approximately 20% and 30% more likely, respectively, to state that the service had an influence on their decisions, than were employees of companies which provided I&R services.

Continue Employment: The partial correlation for this analysis was significant at the .01 level, indicating that the amount of child care services provided does have a positive effect on employees' decisions to continue their present employment. While the pattern here is similar to that of the previous analysis, the magnitude of the changes is considerably less. Off-site company and on-site company employees are only 10% and 16%, respectively, more likely than Information and Referral company employees to state that the company provided services have an influence on their decisions to continue their present employment. Thus, while subjects felt that the provision of the child care services had a positive effect on their decision to continue employment, this influence was not great.

Recommendation of Employer: Employees were more likely to recommend their employers to others when either off-site or on-site child care services were provided by their employer. The relationship between the degree of child care service provided by an employer and employees recommending their employer to others was significant at the .001 level. In this analysis, the responses of employees utilizing off-site services and on-site services did not differ significantly from one another. Both of these groups were approximately 30% more likely than employees using information and referral services to state that they had recommended their employer to others because of the child care services.

Availability to Work Overtime: Employees were more likely to be able to work overtime or odd hour shifts when either off-site child care services or on-site child care services were provided by their employer. The relationship between amounts of child care service provided by an employer and the employee's ability to work overtime was significant at the .001 level. As in the previous analysis, the values for off-site and on-site child care did not differ significantly from each other, and both were larger than the value for the information and referral companies.

Acceptance of a Promotion: A significant relationship was not found between type of child care service and acceptance of a promotion. It should be noted that, as a result of the large number of subjects stating that this item was not applicable, this analysis was based on relatively few subjects per company.

Perceived Effect on Job Performance: The child care service provided by an employer had a positive effect ($p < .001$) on employees' perceptions of their job performance. Employees in companies which provided either on-site or off-site child care services were more likely than those in companies which sponsored I&R services to say that the child care service had a positive effect on the way they did their job. The responses of users of off-site child care and on-site child care did not differ significantly from each other. Users of off-site services

were 50% more likely and users of on-site services were 45% more likely than users of I&R services to state that the employer provided services had a positive influence on their job performance.

Employee Turnover: Provision of either on-site or off-site child care services results in greatly reduced turnover rates among users of these services. For sixteen (94%) of the seventeem employers included in the analysis, the annual turnover rate for employees who used the child care service was lower, often substantially, than the annual rate for all employees ($p=.001$). In 63% of the companies the rate of users was less than one half that of the whole company; in 53% of the companies, the turnover rate for users was zero.

Employee Morale: Of the 53% of the respondents providing additional comments more than 80% were of a positive nature. These voluntary comments provide strong substantiation of the view that access to child care proximal to the worksite is a highly valued benefit. The conflicts and anxieties experienced by working mothers as to their children's care have been well reported. In contrast, study respondents repeatedly took the opportunity to express appreciation and gratitude that their employer had relieved them of these worries. In an extension of this, several respondents described at length the positive effects attendance at the child care center had on their child.

It is worth noting that negative comments among users of on-site and off-site services primarily focused on the need for an extension of the service or displeasure with the cost of service rather than dissatisfaction with the existing service. Almost never did these employees express dissatisfaction with the child care itself. Employees who used information and referral services as a rule did not have as positive feelings about the service or about their employer for providing it.

DISCUSSION

Looking at the results of the analysis of absenteeism, it is disappointing although not surprising that the relationship

between these two variables was indeterminable. There are many reasons for a person's absence that were not represented in our model. For example, a major cause of absenteeism in female employees is caring for their sick children. There was, however, considerable variation among employers as to allowable sick time. Some employers allowed employees to use sick days for either themselves or their child; others allowed employees to use their vacation days when either they or a child was ill; others allowed no conversion of vacation time for unplanned absences. In most companies, attendance records identified vacation days and sick days by category without designating planned or unplanned. But in point of fact, some employees used vacation days for unplanned absences and some sick days were undoubtedly planned. And, of course, a person's own health, transportation trouble or other difficulties may be equally strong determinants of that person's absence. While the results of this study do not settle the issue, it appears unlikely that with the large number of uncontrollable variables and the relatively small proportion of the workforce affected a statistical relationship can be demonstrated between absenteeism and employers providing child care services.

But reduced absenteeism is only one of the effects which have been hypothesized to result from employer supported child care. The findings of this study provide strong support for the claims that these employer services do produce desired measureable effects. For example, employers considering the institution of a child care service as an inducement for recruitment of new employees will have significantly higher probability of success if they offer some form of near worksite child care service rather than an information and referral service.

And the results of this study demonstrate the relationship between an employer's child care service and the employment longevity of the employees who use that service. Study findings show that the availability of either on-site or off-site child care positively effects both acceptance and continuance of employment. In addition, employees who use an employer supported near worksite child care service are more likely to recommend

their employer to others than will employees who have access only to an I&R service.

The findings of this study illustrate that when employers sponsor either an on-site or an off-site child care service for their employees a significant reduction in turnover occurs. In more than half the companies and hospitals turnover of employees utilizing the employer supported child care service was reduced to zero; in several others it was less than fifty percent that of the company turnover rate.

Figures on employee productivity are not always easy to obtain. Assessment by supervisors has been found to be an unreliable measure (Milkovich, 1976). In this study employees were asked, not to rate their productivity, but rather their assessment of the effect of the child care service on their job performance. The findings of this analysis provide strong support for the assumption that provision of proximal worksite child care rather than information and referral service positively effects employees' perceptions of their job performance. Little difference was found in this regard between users of on-site and off-site services.

And while not subject to statistical analysis, the voluntarily supplied comments by many of the respondents testify to the positive impact a near worksite employer supported child care service can have on employee morale and attitude.

In conclusion, the results of this empirical study provide a substantial foundation of justifications for corporate child care. Additional statistical evidence of managerial, public relations, cost or promotion benefits could further advance the field. This study can be viewed as a portion of the base of a pyramid building empirical support for employers sponsoring child care services.

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